

MERCURY INDUSTRIES BERHAD
(Company No. 105550 - K)

The Board of Directors is pleased to announce the following :

UNAUDITED INTERIM REPORT OF THE GROUP FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	Current Quarter Ended 31/12/2017 RM'000	Preceding Year Quarter Ended 12/31/2016 RM'000	Changes		Current Year To Date 31/12/2017 RM'000	Preceding Year To Date 12/31/2016 RM'000	Changes	
			Amount RM'000	%			Amount RM'000	%
Continuing Operations								
Revenue	19,481	17,336	2,145	12.4%	74,002	70,836	3,166	4.5%
Cost of Sales	(16,443)	(14,310)	(2,133)	14.9%	(61,230)	(58,295)	(2,935)	5.0%
Gross Profit	3,038	3,026	12	0.4%	12,772	12,541	231	1.8%
Other Income	260	84	176	209.1%	10,486	362	10,124	2796.6%
Operating Expenses	(1,616)	(1,358)	(258)	19.0%	(5,598)	(3,880)	(1,718)	44.3%
Profit from Operations	1,682	1,752	(70)	-4.0%	17,660	9,023	8,637	95.7%
Finance Costs	(169)	(596)	427	-71.7%	(1,411)	(2,425)	1,014	-41.8%
Profit Before Tax	1,513	1,156	357	30.9%	16,249	6,598	9,651	146.3%
Income Tax	(548)	(701)	153	-21.9%	(2,406)	(2,526)	120	-4.8%
Profit From Continuing Operations	965	455	510	112.2%	13,843	4,072	9,771	240.0%
Discontinued Operation								
Profit from discontinued operation, net of tax	-	1,558	(1,558)	-100.0%	1,988	4,598	(2,610)	-56.8%
Profit For The Period	965	2,013	(1,048)	-52.0%	15,831	8,670	7,161	82.6%
Other Comprehensive Income, Net Of Tax	-	-	-		-	-	-	
Total comprehensive income for the period	965	2,013	(1,048)	-52.0%	15,831	8,670	7,161	82.6%
Total comprehensive income attributable to:								
Owners of the Company - continuing operations	613	(36)	649	-1802.5%	11,967	1,971	9,365	475.2%
Owners of the Company - discontinued operation	-	1,558	(1,558)	-100.0%	1,988	4,598	(2,610)	-56.8%
Non-controlling interests	352	491	(139)	-28.2%	1,876	2,101	406	19.3%
Total comprehensive income for the period	965	2,013	(1,048)	-52.0%	15,831	8,670	7,161	82.6%
Earnings per share (Sen)								
- Continuing Operations	1.53	(0.09)			29.78	4.91		
- Discontinued Operation	-	3.88			4.95	11.44		
	1.53	3.79			34.73	16.35		

The Condensed Consolidated Statements of Profit or Loss And Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31/12/2017 RM'000	Audited As At 12/31/2016 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	6,123	3,526
Goodwill on consolidation	31,579	28,438
Investment properties	6,034	2,914
Deferred tax assets	74	63
	<u>43,810</u>	<u>34,941</u>
Current Assets		
Trade receivables	85,957	50,165
Others receivables	2,388	366
Amount due from customers on contracts	12,663	9,457
Other investments	143	139
Short term deposits	1,862	9,017
Cash and bank balances	467	838
	<u>103,480</u>	<u>69,982</u>
Assets classified as held for sale	-	47,461
	<u>103,480</u>	<u>117,443</u>
TOTAL ASSETS	<u>147,290</u>	<u>152,384</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	122,001	40,182
Share Premium	-	81,819
Accumulated losses	<u>(47,546)</u>	<u>(61,501)</u>
Equity attributable to owners of the Company	74,455	60,500
Non-controlling interests	<u>10,878</u>	<u>9,002</u>
Total Equity	<u>85,333</u>	<u>69,502</u>
Non-Current Liabilities		
Term loan > 12 months	1,738	28,302
Finance lease liabilities	<u>2,529</u>	<u>1,072</u>
	<u>4,267</u>	<u>29,374</u>
Current Liabilities		
Trade payables	35,582	29,505
Others payables	5,146	7,959
Amount due to customers on contracts	215	-
Finance lease liabilities	1,220	924
Term loan < 12 months	57	1,698
Bank overdrafts	1,214	998
Bank borrowings	13,818	1,984
Tax payable	438	562
Proposed Dividend	-	2,411
	<u>57,690</u>	<u>46,041</u>
Liabilities classified as held for sale	-	7,467
	<u>57,690</u>	<u>53,508</u>
TOTAL EQUITY AND LIABILITIES	<u>147,290</u>	<u>152,384</u>
Net assets per share (RM)	1.85	1.51

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i><-- Attributable To Owners Of The Company --></i>				Non-Controlling Interests	Total Equity
	Issued Capital	Share Premium	Accumulated Loss	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1.1.2017	40,182	81,819	(61,501)	60,500	9,002	69,502
Total Comprehensive Income For The Period	-	-	13,955	13,955	1,876	15,831
Share Premium transferred to Issued Capital	81,819	(81,819)	-	-	-	-
Balance as of 31.12.2017	<u>122,001</u>	<u>-</u>	<u>(47,546)</u>	<u>74,455</u>	<u>10,878</u>	<u>85,333</u>
Balance as of 1.1.2016	40,182	81,819	(63,249)	58,752	6,901	65,653
Total Comprehensive Income For The Period	-	-	6,570	6,570	2,101	8,671
First Interim Dividend (Note 8)	-	-	(2,411)	(2,411)	-	(2,411)
Second Interim Dividend (Note 8)	-	-	(2,411)	(2,411)	-	(2,411)
Balance as of 31.12.2016	<u>40,182</u>	<u>81,819</u>	<u>(61,501)</u>	<u>60,500</u>	<u>9,002</u>	<u>69,502</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

The Group	12 months ended 31/12/2017 RM'000	12 months ended 12/31/2016 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation from continuing operations	16,249	6,598
Profit before taxation from discontinued operation	<u>2,652</u>	<u>5,990</u>
Profit before taxation	18,901	12,588
Adjustment for non-cash items	<u>(7,932)</u>	<u>4,390</u>
Operating Profit Before Working Capital Changes	10,969	16,978
Changes in working capital:		
Inventories	-	(1,931)
Receivables	(11,207)	(13,553)
Customers on contract	(2,992)	(11,106)
Payables	(21,787)	20,243
Bills payable	(1,100)	1,984
Income tax paid	<u>(2,508)</u>	<u>(4,695)</u>
Net Cash (Used in)/From Operating Activities	<u>(28,625)</u>	<u>7,920</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Acquisition of subsidiary company, net of cash acquired	(7,192)	-
Purchase of property, plant and equipment	(4,128)	(831)
Purchase of investment properties	(42)	-
Placement of fixed deposits pledged	(120)	(600)
Proceeds from disposal of property, plant & equipment	137	4
Proceeds from disposal of assets held for sale	50,500	-
Interest received	327	218
Net Cash From/(Used in) Investing Activities	<u>39,482</u>	<u>(1,209)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Dividend paid to shareholders	(2,411)	(2,411)
Drawdown of finance lease liabilities	2,850	-
Drawdown of factoring loan	24,928	-
Drawdown of term loan	2,000	-
Finance costs paid	(1,411)	(2,425)
Repayment of bankers' acceptance	(1,984)	-
Repayment of finance lease liabilities	(1,116)	(701)
Repayment of factoring loan	(11,110)	-
Repayment for term loan	<u>(30,465)</u>	<u>-</u>
Net Cash (Used In) Financing Activities	<u>(18,719)</u>	<u>(5,537)</u>
CASH AND CASH EQUIVALENTS		
Net changes	(7,862)	1,174
Reclassified to assets held for sale	-	(5,216)
Balance as of 1 January	<u>8,240</u>	<u>12,282</u>
Balance as at end of financial period	<u><u>378</u></u>	<u><u>8,240</u></u>

Cash and cash equivalents at the end of the financial period comprise the following balance amount:

	As at 31/12/2017 RM'000	As at 31/12/2016 RM'000
Cash and bank balances	467	838
Bank overdrafts	(1,214)	(998)
Short term deposits	1,862	9,017
Less: Fixed deposits pledged	<u>(737)</u>	<u>(617)</u>
	<u><u>378</u></u>	<u><u>8,240</u></u>

The Condensed Consolidated statement of Cash Flow should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

Part A - Explanatory Notes Pursuant To Financial Reporting Standard 134

1. Basis of Preparation

The interim financial report is unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard (MFRS) 134 - Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB") and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The same accounting policies and methods of computation are followed in the quarterly financial statements as compared with the Annual Financial Statements of the Group for the year ended 31 December 2016.

Apart from the above, the quarterly financial statements are to be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016.

2. Financial Reporting Standards

Significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2016.

The Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption of the MFRS on the financial statements of the Group.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2017. The adoption of these new and revised MFRS and IC Interpretations have not resulted in any material impact upon the financial statements of the Group.

MFRSs and IC Interpretations that were issued but are not yet effective have not been early adopted by the Group.

3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification of the Group audited financial statements for the year ended 31 December 2016.

4. Segmental Reporting

Segmental report for the financial year ended 31 December 2017 is as follows:

	<i>Discontinued Operation</i>		<i>Continuing Operations</i>			Eliminations	Consolidated
	<i>Manufacturing & Trading</i>	<i>Building Materials</i>	<i>Construction</i>	<i>Investment Holding</i>			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 Months Ended 31/12/2017							
Revenue							
External revenue	17,083	7,357	66,645	-	-	-	91,085
Inter-segment revenue	8,100	5,852	-	168	(14,120)	-	-
Total revenue	<u>25,183</u>	<u>13,209</u>	<u>66,645</u>	<u>168</u>	<u>(14,120)</u>		<u>91,085</u>
Results							
Segment profit	2,598	633	8,936	39,397	(31,579)		19,985
Interest income	54	-	19	254	-		327
Finance cost	-	(66)	(448)	(897)	-		(1,411)
Profit before tax	<u>2,652</u>	<u>567</u>	<u>8,507</u>	<u>38,754</u>	<u>(31,579)</u>		<u>18,901</u>
12 Months Ended 31/12/2016							
Revenue							
External revenue	39,494	-	70,836	-	-		110,330
Inter-segment revenue	28,053	-	-	8,736	(36,789)		-
Total revenue	<u>67,547</u>	<u>-</u>	<u>70,836</u>	<u>8,736</u>	<u>(36,789)</u>		<u>110,330</u>
Results							
Segment profit	13,925	-	9,672	8,071	(16,890)		14,778
Interest income	219	-	17	-	-		236
Finance cost	-	-	(242)	(2,184)	-		(2,426)
Profit before tax	<u>14,144</u>	<u>-</u>	<u>9,447</u>	<u>5,887</u>	<u>(16,890)</u>		<u>12,588</u>

Sales Revenue By Geographical Market

	12 months ended 31/12/2017	12 months ended 31/12/2016
	RM'000	RM'000
Malaysia - continuing operations	74,002	70,836
Malaysia - discontinued operation	12,811	30,850
	<u>86,813</u>	<u>101,686</u>
Other Countries - discontinued operation *	4,272	8,644
	<u>91,085</u>	<u>110,330</u>

* less than 5% for each of the components.

5. Unusual Item Affecting Assets, Liabilities, Equity, Net Income Or Cash Flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter under review.

6 Change Of Estimates Used

There was no material change in estimates for the financial quarter under review.

7 Seasonality Or Cyclicity Of Interim Operations

The Group's operations are not significantly affected by any seasonal or cyclical factors.

8 Dividends Paid

There was no dividend paid during the financial quarter under review (2016: Nil)

For the financial year ended 31 December 2016, the following dividends were paid:

- i) A First Single Tier Interim Dividend of 6% per ordinary share amounting to RM2,410,920 was paid on 20 July 2016,
- ii) A Second Single Tier Interim Dividend of 6% per ordinary share amounting to RM2,410,920 was paid on 12 January 2017.

9. Issuance, Cancellation, Repurchases, Resale and Repayments Of Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current quarter ended 31 December 2017.

10. Material Events Not Reflected In The Financial Statements

There were no material events in the financial quarter under review that have not been reflected in the financial statements for the said period.

11. Changes In The Composition Of The Group

There were no changes in the composition of the Group for the current quarter ended 31 December 2017.

12. Capital Commitments

There is a capital commitment of RM0.86 million for the purchase of property, plant and equipment, which has not been reflected in the interim financial statements for the current quarter ended 31 December 2017.

13. Contingent Liabilities / Assets

The Company has issued unsecured corporate guarantees totalling RM91.54 million to certain financial institutions and building materials suppliers for credit facilities granted to its subsidiary companies. Accordingly, the Company is contingently liable to such financial institutions and suppliers to the extent of the amount of credit facilities utilised. There is no contingent assets as at the date of this report.

14. Recurrent Related Party Transactions

Details of the relationship between the Group and its related party are as described below.

Name of Related Party

(a) Leow Lai Ching ("LLC")

Relationship

* LLC is the wife of Chow Kit Loong, who is a director and major shareholder of Paramount Bounty Sdn Bhd ("PBSB") and holds the balance 30% equity interest in PBSB.

(b) Pujian Development Sdn Bhd ("Pujian")

* Pujian is a subsidiary of Ecofirst Consolidated Berhad in which Dato' Tiong Kwing Hee ("Dato' Tiong") is the Group Chief Executive Officer, Director and major shareholder. Dato' Tiong is also the Managing Director and major shareholder of Mercury.

(c) Maju Puncakbumi Sdn Bhd ("Maju Puncak")

Maju Puncak is a subsidiary of Meda Inc. Berhad in which Dato' Tiong is a major shareholder. Dato' Tiong is also the Managing Director and major shareholder of Mercury.

* Shareholders' mandate has already been obtained at the last Annual General Meeting held on 24 May 2017.

The information on the transactions which have been entered into with the Group during the period is as follows:

		Current Quarter 31/12/2017 RM'000	Year to date 31/12/2017 RM'000
(a) LLC	Rental of office space from LLC	12	48
(b) Pujian	(i) Civil & construction works for Pujian	12,529	28,995
	(ii) Provision of insurance agency services by Pujian	-	204
	(iii) Rental of office space from Pujian	20	20
(c) Maju Puncak	Sales of building materials by Andaman Marketing Sdn Bhd ("AMSB")	-	42

15. Material Subsequent Event

There were no material events subsequent to the end of the financial period under review that have not been reflected in the financial statements for the said period.

Part B - Explanatory Notes Pursuant To Appendix 9B Of The Listing Requirements Of Bursa Malaysia Securities Berhad

16. Review Of Performance

With the disposal of the Paints Division, the review of performance for the current quarter will cover only the continuing operations.

Group's revenue increased by RM2.15 million (+12.4%) to RM19.48 million during the current quarter as compared to RM17.34 million achieved in the corresponding quarter in 2016, while Group's pretax profit increased by RM0.36 million (+30.9%) to RM1.51 million as compared to RM1.16 million achieved in the corresponding quarter of 2016. The increase in revenue was due to the contribution from AMSB which was acquired in June 2017. The increase in pretax profit was due to the profit contribution from AMSB and the interest savings from the repayment of the term loan.

For the Construction Segment, revenue decreased by RM1.75 million (-10.1%) to RM15.6 million while pretax profit decreased by RM0.59 million (-26.3%) to RM1.66 million as compared to RM17.34 million and RM2.26 million respectively in the corresponding quarter of 2016. There is no revenue contribution from the Bangi project in the current quarter as construction work was completed in the previous quarter. The decrease in pretax profit was due to the lower revenue and higher overheads especially depreciation charge and interest cost.

For the Building Materials Segment, the newly acquired wholly-owned subsidiary AMSB, made a contribution of RM3.89 million to Group's revenue and RM0.19 million to Group's pretax profit in the current quarter. No comparative figures is used for the corresponding quarter in 2016 as AMSB has not been acquired then.

As for the Investment Holding Segment, it reported a pretax loss of RM0.34 million as compared to a pretax loss of RM0.77 million in the corresponding quarter in 2016. The reduction in pretax loss was attributable to the interest savings on the repayment of the RM30.0 million term loan.

For the current financial year, Group revenue of the Continuing Operations increased by RM3.17 million (+4.5%) to RM74.0 million while pretax profit increased by RM9.65 million (+146.3%) to RM16.25 million as compared to the corresponding period in 2016. The revenue contribution of RM7.4 million by AMSB compensated for the decrease in revenue of RM4.19 million in PBSB. The increased in pretax profit was mainly due to the gain of RM9.06 million arising from the disposal of the entire equity interest in Silverlight Prospects Sdn Bhd ("SPSB") and the interest savings from the repayment of the term loan from the proceeds of the disposal which mitigated the reduction in Pretax Profit of RM0.94 million in PBSB.

17. Comparison With Previous Quarter's Results

	Current Quarter 31/12/2017	Previous Quarter 30/09/2017	Changes	
	RM'000	RM'000	RM'000	%
Continuing Operations				
Revenue	19,481	21,304	(1,823)	(8.6)
Operating Profit	1,682	3,360	(1,678)	(49.9)
Profit Before Interest and Tax	1,682	3,360	(1,678)	(49.9)
Profit Before Tax	1,513	3,275	(1,762)	(53.8)
Profit After Tax	965	2,372	(1,406)	(59.3)
Profit Attributable to Owners of the Company	613	1,689	(1,076)	(63.7)
Discontinued Operation				
Revenue	-	-	-	-
Profit Before Tax	-	-	-	-
Profit After Tax	-	-	-	-

For the current quarter, revenue decreased by RM1.82 million (-8.6%) while pretax profit decreased by RM1.76 million (-53.8%) as compared to the previous quarter. The decrease in revenue was solely attributed to the decrease in revenue of RM2.89 million by PBSB due to the completion of its Bangi project in the previous quarter. The decrease in group's revenue was alleviated by the revenue contribution from AMSB. Pretax profit was much lower in the current quarter due to the lower revenue and lower profit margin in the Construction Segment. In the current quarter there is also a reduction in other income of RM0.40 million as compared to the previous quarter.

18. Prospects For 2018

The Malaysian economy achieved a GDP growth of 5.9% in 2017. However, the effects of the growth have not been reflected in stronger demand in the property sector. Despite the growth in the construction sector, which was mainly generated by the construction works on public transportation infrastructure networks like mass transit railway lines and expressways, the residential property sector where the Group operates, still suffers a slowdown in construction activities as a result of the overhang of unsold stock of completed properties. Furthermore, the difficulty of potential buyers in getting bank financing has resulted in a slowdown in sales and thus the construction of residential and commercial properties. The soft property market is expected to prolong throughout 2018.

In spite of the expected sluggish growth in construction activities in the residential property sector due to the factors stated above, the Group's construction subsidiary is still expected to perform reasonably well and contribute positively to the Group's revenue and profitability in 2018 based on its existing unbilled orderbook in hand. It is tendering and expects to win some new construction contracts in 2018.

For the financial year 2018, barring unforeseen circumstances, the Board is optimistic that the Group will continue to remain profitable due to the remaining orderbook of construction works in hand of PBSB, even as it seeks to replenish its orderbook with new construction contracts. There is also the guaranteed profit after tax contribution of RM1.0 million from AMSB while it seeks to expand its trading activities. Furthermore, the repayment of the RM30 million term loan will result in interest savings for the Group.

19. Variance From Profit Forecast

This note is not applicable.

20. Profit/(Loss) For The Period

Profit/(Loss) for the period is arrived at:

	Current Quarter 31/12/2017 RM'000	Corresponding Quarter 12/31/2016 RM'000	Year to date 31/12/2017 RM'000	Year to date 12/31/2016 RM'000
After charging:				
Depreciation & amortisation	432	139	1,712	1,253
Impairment loss on other investments	-	7	-	61
Interest expenses	169	596	1,411	2,425
Loss on sale of property, plant and equipment	87	-	87	5
And after crediting:				
Interest income	45	71	327	236
Rental income	53	80	259	268
Gain on sale of subsidiary company	-	-	9,062	-

21. Discontinued Operation

The results of the discontinued operation is as summarised below:

	Current Quarter 31/12/2017 RM'000	Corresponding Quarter 12/31/2016 RM'000	Year to date 31/12/2017 RM'000	Year to date 12/31/2016 RM'000
Revenue	-	9,874	17,083	39,494
Cost of goods sold	-	(4,144)	(10,688)	(23,246)
Other incomes	-	235	200	985
Operating expenses	-	(4,106)	(3,943)	(11,244)
	-	1,859	2,652	5,989
Income Tax	-	(301)	(664)	(1,391)
Profit for the period	-	1,558	1,988	4,598

22. Income Tax Expense

	Current Quarter 31/12/2017 RM'000	Year to date 31/12/2017 RM'000
Provision for current taxation		
- Current year	559	2,368
- Under/(Overprovision) in prior year	-	49
Provision for deferred taxation	(11)	(11)
	<u>548</u>	<u>2,406</u>

23. Gain or Loss On Derivatives

This is not applicable as the Group does not deal in derivatives.

24. Exceptional Items

There were no exceptional items during the financial quarter under review.

25. Status Of Corporate Proposals

There is no outstanding corporate proposal in the financial quarter under review.

26. Status of Utilisation of Proceeds From Disposal of SPSB

Purpose	Proposed Utilisation	Actual Utilisation As At 31 December 2017	Initial Timeframe For Utilisation Of Proceeds From Date of Disposal (22 June 2017)	Balance Of Unutilised Proceeds
	RM'000	RM'000		RM'000
(a) Repayment of bank borrowings	30,000	30,000	Within 12 months	Nil
(b) Working capital purposes	19,650	16,416	Within 24 months	3,234
(c) Defray expenses on disposal of SPSB #	850	759	Within 3 months	91
Total	50,500	47,175		3,325

Remaining balance of RM91,000 will be channeled as working capital purposes of the Company.

27. Group Borrowings And Debt Securities

(a) The Group's borrowings as of 31 December 2017 are as follows:

	As At Period Ended 31/12/2017		
	Long term RM	Short term RM	Total borrowings RM
Secured:-			
Bank overdraft	-	1,214	1,214
Unsecured:-			
Term loan	1,738	57	1,795
Factoring loan	-	13,818	13,818
	<u>1,738</u>	<u>13,875</u>	<u>15,613</u>
Total	<u>1,738</u>	<u>15,089</u>	<u>16,827</u>

	As At Period Ended 31/12/2016		
	Long term RM	Short term RM	Total borrowings RM
Secured:-			
Term loan	28,302	1,698	30,000
Bankers' acceptance	-	1,984	1,984
	<u>28,302</u>	<u>3,682</u>	<u>31,984</u>

(b) There were no borrowings or debt securities denominated in foreign currencies.

28. Changes In Material Litigation

There is no material litigation as of the date of this report.

29. Dividend Payable

The Board has proposed a Final Single Tier Dividend of 4.0 sen per ordinary share for the financial year ended 31 December 2017 amounting to RM1,607,280.

30. Profit Guarantee

(i) In the acquisition of the 70% equity interest in PBSB, the Vendor has guaranteed that PBSB will achieve an audited profit after tax ("PAT") of RM6.6 million per annum for each of the financial year ending 31 December 2015, 31 December 2016 and 31 December 2017.

For the financial year ended 31 December 2017, PBSB achieved an unaudited PAT of RM6.25 million, bringing the cumulative PAT for the three financial years to RM20.07 million. Thus the cumulative guaranteed PAT of RM19.8 million for the three years ended 31 December 2017 is considered as fulfilled.

(ii) In the acquisition of the 100% equity interest in AMSB, the vendors have guaranteed that AMSB will achieve an audited PAT of RM1.0 million per annum for each of the financial year ending 31 December 2018, 31 December 2019 and 31 December 2020. Therefore, the guaranteed PAT is not applicable for the current financial year.

31. Earnings Per Ordinary share

The basic earnings per share is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period:-

	<u>Current Quarter</u>		<u>Year to date</u>	
	<u>31/12/2017</u>	<u>12/31/2016</u>	<u>31/12/2017</u>	<u>31/12/2016</u>
Profit attributable to owners of the Company (RM'000)				
- continuing operations	613	(36)	11,967	1,971
- discontinued operation	-	1,558	1,988	4,598
	<u>613</u>	<u>1,522</u>	<u>13,955</u>	<u>6,569</u>
Weighted average number of ordinary shares in issue ('000)	40,182	40,182	40,182	40,182
Basic earnings per share (Sen)				
- continuing operations	1.53	(0.09)	29.78	4.91
- discontinued operation	-	3.88	4.95	11.44
	<u>1.53</u>	<u>3.79</u>	<u>34.73</u>	<u>16.35</u>